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TAGS: [PGOV](#) [ECON](#) [BH](#)  
SUBJECT: BELIZE INPUT TO CARIBBEAN BASIN RECOVERY ACT REPORT

REF: STATE 143212

Following is the text requested by REFTEL.

Belize

Population: 311,480

Per Capita GDP: \$4,070  
Source: Statistical Institute of Belize

Economic Review: Belize's 2007 economic growth rate is projected to be 4.4 percent, with inflation at 5.1 percent. The most significant economic issues currently facing Belize are: (1) foreign debt in excess of 100 percent of GDP, (2) pressures on the official exchange rate of 2 BZD to 1 USD, leading to shortages of U.S. dollars at the official rate, (3) the deteriorating balance of payments, and (4) growing public perception of the extent of political corruption and government mismanagement of public funds. Several of these problems are attributable to heavy government spending that has continued in the run-up to general elections scheduled for 2008. The spending has led to ballooning foreign debt and a widening trade deficit.

Foreign Trade:  
Trade in Goods with U.S.: 2006  
NOTE: All figures are in U.S. dollars.  
Source: Statistical Institute of Belize

Belize continues to rely heavily on foreign trade, with the United States as its number one trading partner. Imports in 2006 totaled \$255.39 million, while total exports were only \$112.22 million.

Commitment to WTO and FTAA: Although Belize has been a WTO member since January 1, 1995, the country rarely participates in WTO deliberations. Belize also faces difficulties in implementing WTO agreements effectively, due to limited staff in the government's lead trade negotiating agency. Belize supports the FTAA and participates in other regional and international trade negotiations in close coordination with CARICOM's Regional Negotiating Machinery.

Intellectual Property Laws: Belize has enacted laws that provide for the protection of intellectual property rights consistent with the protection afforded under the TRIPS Agreement. These IPR laws, all enacted in January 2001, include the Trade Marks Act, the Copyright Act, the Industrial Designs Act, the Patents Act, the Protection of Layout-Designs (Topographies) of Integrated Circuits Act, and the Protection of New Plant Varieties Act. Along with the enactment of these measures, Belize acceded to the Paris Convention for the Protection of Industrial Property, the Berne Convention on Protection of Literary and Artistic Works and the Patent Copyright Treaty.

Intellectual Property Infringement:  
Government-owned entities generally do not broadcast copyrighted material belonging to U.S. copyright-holders without consent.

However, music and video stores in Belize continue to carry hand-copied CDs, DVDs, and tapes for sale or rent. Local television stations and cable companies also continue to pirate American television networks and cable channels with impunity. Local importers, particularly those operating in the commercial free zone in Northern Belize, continue to bring in counterfeit merchandise bearing U.S. trademarks. To date there have been no successful prosecutions in the area of intellectual property protection.

**Provision of Internationally Recognized Worker Rights:** The Constitution of Belize provides for freedom of assembly and association. The Trade Union and Employee's Organizations Act of 2000 establishes procedures for the registration and status of trade unions and employers' organizations, promotes and protects the recognition of trade unions, and encourages orderly and effective collective bargaining.

The Constitution of Belize prohibits slavery, and provides that no person shall be required to perform forced labor. The Labor Act of Belize likewise states that "no person shall impose or permit the imposition of forced or compulsory labor as a (a) means of political coercion or as a punishment for holding or expressing political views or views ideologically opposed to the established political, social or economic system; (b) method of mobilizing and using labor for purposes of economic developments; (c) means of labor discipline; (d) punishment for having participated in strikes; and (e) means of racial, social, national or religious discrimination."

Minimum wages are prescribed for three categories of workers, namely manual workers, shop assistants, and domestic workers. Regarding work hours, the Labor Act of Belize also states that no worker shall be obliged to work more than 6 days in any week or for more than 9 hours of actual work in any day, for 45 hours of actual work in any week. The labor law of Belize also states that it is the duty of the employer to take reasonable care for the safety of his employees in the course of their employment. Belize labor law further states that every employer who provides or arranges accommodation for workers to reside at or in the vicinity of a place of employment shall provide and maintain sufficient and hygienic housing accommodations, a sufficient supply of wholesome water, and sufficient and proper sanitary arrangements.

**Commitments to Eliminate the Worst Forms of Child Labor:** Belize has ratified International Labor Organization Conventions 29 (Forced Labor), 138 (Minimum Age), 105 (Abolition of Forced Labor), and 182 (Abolition of the Worst Forms of Child Labor). These Conventions are embedded in the Trade Unions and Employers' Organizations Registration, Recognition and Status Act of 2000. Belize has also signed a Memorandum of Understanding with the ILO-IPEC. In 2005, the Government of Belize began participating in a USDOL-funded regional project implemented by ILO-IPEC to combat the commercial sexual exploitation of children with some of the programming being implemented in 2007.

The Labor Act of Belize is inconsistent in how it defines the minimum age of employment in Belize. In some sections it is listed as 12 while in others it appears to be 14. In one section the Act provides that "no child shall be employed so long as he is under the age of twelve years", while another provides that persons who have attained the age of 14 years but are under the age of 18 years may only be employed in an occupation that a labor officer has determined is "not injurious to the moral or physical development of non-adults," typically light work that is not harmful to life, health or education.

**Counter-Narcotics Cooperation:** The President has not identified Belize as a major drug transit or major illicit drug producing country under the provision of the FRAA. In addition, the Government of Belize and the U.S. Government concluded a Stolen Vehicle Treaty, an Extradition Treaty, and a Mutual Legal Assistance Treaty, which were brought into force between 2001 and 2003. However, recent extradition requests and stolen car inquiries made to the government of Belize have been delayed or ignored.

**Implementation of the Inter-American Convention Against Corruption:** Belize signed the IACAC at the Organization of American States General Assembly in San Jose, Costa Rica, on June 7, 2001. Prior to this, Belize's first step to combat corruption in public life came

with the enactment of the Prevention of Corruption in Public Life Act in 1994. This act contains various provisions designed to reduce political corruption, including requirements for the public disclosure of the assets, income and liabilities of public officials, such as the Governor-General and members of the national assembly. However, the penalties for noncompliance are so minimal that the rules are routinely ignored and to date there have been no enforcement actions to combat corruption. The perception of corruption at high levels of the government continues to increase according to World Bank and Transparency International's corruption perception indices. The government also appointed a parliamentary commissioner, known as the Ombudsman, to investigate administrative actions and allegations of official corruption and wrongdoing, but to date there have been no prosecutions for official corruption.

**Transparency in Government Procurement:** Standards ensuring transparent, nondiscriminatory and competitive procedures in government procurement are laid out in the Stores and Financial Orders under the Finance and Audit Act of the Laws of Belize. However, some questions exist regarding the extent to which certain government ministries, departments, and agencies adhere to these standards. For instance, under the Orders, government purchases of over US\$50,000 must be submitted for public bidding by both local and foreign companies, but it appears this is not done in many cases. Bidders for tenders for externally-funded projects must comply with the procurement rules and regulations of the foreign funding organization. The Contractor-General is perceived as ineffective in monitoring the award and implementation of public contracts or sale of public assets, as there have been several cases in which contracts have been awarded without apparent merit, and public assets have been sold under dubious circumstances.

Several U.S. oil companies have complained about lack of transparency in the granting of oil contracts. They complain that local Belizean companies are offered preferential terms. The companies cite bribery and political handouts as reasons for the government's agreement to such terms.

**Nationalization/Expropriation:** Innovative Communication Cooperation (ICC) originally purchased Belize Telecommunications Limited (BTL) from the Government of Belize in April 2004. In February 2005, the Government of Belize took control of BTL, alleging that ICC had failed after several extensions to make remaining payments for BTL shares. ICC countered that the Government of Belize had failed to make certain regulatory changes as agreed. Extensive litigation is ongoing.

In addition, there have been several cases in which the government has exercised its right of eminent domain to expropriate property, including that of some foreign investors.

**Preferential Treatment - Developed Countries:** Belize does not afford preferential treatment to the products of a developed country other than the United States. While Belize is a beneficiary of multilateral trade agreements that CARICOM has negotiated and signed on behalf of its member states, reciprocity of preferential treatment applies only to the five more developed countries within CARICOM, and not to Belize.

**Extradition:** Belize and the United States signed an extradition treaty in April 2000 and exchanged instruments of ratification in March 2001.

DIETER